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Atomic Issue Overshadows UN Assembly

The optimism voiced on all sides, from Secretary of State Dean Acheson to Soviet Foreign Minister Andrei Vishinsky, at the opening of the fourth United Nations General Assembly appeared in a new perspective on September 23, when President Truman announced the United States had "evidence that within recent weeks an atomic explosion occurred in the U.S.S.R."

Long Expected News

This news had been expected sooner or later since Hiroshima, and it came as a shock only to those who had assumed that the West could count on a prolonged monopoly of the atomic bomb. Our own scientists have consistently maintained that it would prove impossible to keep the secret of manufacturing, and have deplored the measures taken here to enforce secrecy. It was a foregone conclusion that the large-scale production by one country of a weapon as destructive as the atomic bomb would inspire fear in, and bring about attempts at competition by others—especially the U.S.S.R., which as early as 1945 was mentioned as a possible target for American attack.

According to an announcement of September 24 by the official Soviet news agency, Tass, Russia has known the secret of atomic bomb manufacture since 1947. While Washington remains skeptical on this point, it has long been reported that the U.S.S.R., like the United States, is making use of the services of German scientists in atomic warfare research, and that it has obtained pitchblende, a source of uranium, from the Russian-controlled zone of Germany.

The immediate reaction of Administration spokesmen in Washington was that the news of an atomic explosion in Russia—President Truman carefully refrained from mentioning an atomic bomb—would cause

A State Department committee headed by Philip C. Jessup, Ambassador at Large, is at present re-examining American policy in Asia. In view of the great public interest in this subject, the Foreign Policy Association has invited several experts of differing points of view to present their ideas concerning the course the United States could or should follow toward Asia. The third of these articles is published in the current issue.

no change in American foreign policy. This may be true in the sense that the country's policy-makers have taken the present eventuality into consideration. But up to now most discussions of atomic warfare appeared to be based on the assumption that the United States had the initiative to use the bomb as it saw fit—either in a "quickie" war (the "let's drop a few bombs on Russia and get it over with" school of thought, which has had spokesmen in military and political circles), or to deter the Russians by threat of such a war. Some sharp remarks were made in Congressional circles about alleged laxity of security regulations, but calmness appeared to prevail in the executive branch of the government which, judging by Mr. Acheson's statement, hopes to make use of

the present development in the interest of peace. The question remains, however, why President Truman withheld information about the Russian atomic explosion—known for "some weeks" and, according to other sources, at least since the beginning of September if not earlier—until September 23. One guess is that Mr. Truman wanted to take the wind out of Russia's sails—assuming that Mr. Vishinsky might spring the news at the UN General Assembly, and then start a "peace offensive." It is generally agreed in Washington that, even though Moscow may have mastered the atomic bomb secret, it does not command industrial facilities for large-scale production comparable to ours, and that the United States, with its present stockpile estimated in three figures, will in any case remain far in the lead.

Change in Atmosphere

While the main outlines of American policy may temporarily at least remain unaltered, the psychological atmosphere has undergone a marked change. For the knowledge, or even the presumption, that Russia would be in a position to retaliate—either directly by an attack on this country, or indirectly by an attack on one or more of our North Atlantic partners—weakens the assurance given us by control of the bomb both as a weapon of aggression and as a deterrent. In fact, fear on the part of Western European nations, particularly France, that they might be the first targets of Russian atomic warfare, made them far more reserved last spring about the North Atlantic pact than has been generally realized here. It was appar-

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ently with this danger in mind that British Foreign Secretary Ernest Bevin, who it is disclosed then already knew the historic news, declared on September 21 that the West would not use the atomic bomb for aggressive purposes. In the light of President Truman's announcement it now becomes clear why Britain and Canada have been eager to share knowledge of the bomb manufacturing procedures we have developed since 1947, when American security provisions prohibited the giving of such information even to the countries which had helped us to discover the original bomb secret in 1945. Three-power negotiations on this subject, begun in Washington in July but then broken off, were resumed on September 20, a few days before President Truman's announcement. Permission to share the atomic bomb secret with Britain and Canada would require Congressional approval. It is now reported that the Administration may by-pass Congress and make the information available to our two wartime allies under the North Atlantic treaty.

The question has already been raised by several Congressmen whether, given existing circumstances, the Administration's provisions for military aid to Western Europe, which envisage primarily the building up of land forces, may not have become obsolete. The answer to this question depends on one's estimate of the ef-

ficacy of the atomic bomb. If, as has been contended in Washington, the bomb is sufficient to win a quick war against Russia, it might also be sufficient to win a quick war, in Europe at least, against us. If it is not as decisive as claimed here, then the recent emphasis on development of long-range bombers capable of delivering atomic bombs to distant targets, at the expense of the Army and Navy, may require review. In any case, it is expected that far greater attention will now be paid to Arctic defenses, both of the United States and Canada.

Toward War or Peace?

Two possible courses are being weighed for the immediate future. The first is that the United States and the U.S.S.R. may now enter on a frantic race for atomic bomb production. Such a race could have but one outcome—a war which, in the opinion of leading scientists, would leave no victors. On September 24 David E. Lilienthal, chairman of the Atomic Energy Commission, declared that this country must do everything to "establish unquestioned and unmistakable leadership" in an atomic armaments race. The other course is that the United States should renew its efforts to achieve international control of atomic energy within the framework of the United Nations. This view was expressed on September 25 by Senator Walter F. George of Georgia, who said that our atti-

tude must not be that the control we propose is the only one we will accept. "We must not dismiss any proposal," he added. "Other nations, including Russia, may advance a plan for control as good and possibly even better than our own."

General Assembly President Romulo declared the same day that, while the United States and the U.S.S.R. differed radically on the problem of atomic control, they were in "complete agreement" that it could be solved only through the United Nations. Sir Benegal Rau, chairman of India's delegation to the UN, was reported to be preparing a new proposal for transfer of the issue of atomic energy control from the UN Atomic Energy Commission, whose work has been recently suspended because of the existing deadlock, to the International Law Commission of the United Nations which would then be invited to frame a proposal for outlawry of the bomb. The hope has been expressed, both in Washington and at Lake Success, that now that the U.S.S.R. apparently has the secret of manufacturing atomic bombs, which it did not possess when it rejected the Baruch plan in 1946, it may feel ready to negotiate about control of this weapon on a basis of equality.

VERA MICHELES DEAN

(The first of two articles on proposals for control of the atomic bomb.)

U. S. Accepting Creditor Role in World Trade

The devaluation of the British pound, the communique resulting from the Washington financial talks and the renewal of the Reciprocal Trade Agreements Act, all represent important steps in American foreign economic policy. All three are inter-related and carefully timed moves designed to carry forward the Administration's objective of freer multilateral trade. They are the means by which this country is being maneuvered into position to play its role as a creditor nation, not merely as donor or lender of government funds as in the Marshall Plan period, but as an international lender and investor willing to accept repayment in the form of imported goods and services.

Conscious U.S. Policy

It is important to realize how many of the world-wide economic decisions of the past few weeks were the result of conscious American policy. The very timing

of the three major events is significant. The cordial and cooperative Washington talks—cordial and cooperative largely because the participants knew of Britain's secret decision to devalue—ended on September 12 with a communique which noted, among other things, that "high tariffs were clearly inconsistent with the position of creditor countries." On September 15 the Senate passed without change the Administration's bill to renew the Reciprocal Trade Agreements Act after an amendment to insert "peril point" qualifications was defeated by five votes. On September 18 devaluation of the pound—with its promise, or threat, of cheaper price tags on sterling area goods—was announced.

Despite Sir Stafford Cripps' statement that the devaluation of the pound was decided upon by the British cabinet before he left London for the Washington discussions, the decision was hardly made

by Britain alone. Secretary of the Treasury John W. Snyder last February and April had stated his view that an "adjustment" of European exchange rates might be necessary before 1952. The world's financial markets had been selling the pound short. By summer Britain's customers were postponing their orders in anticipation of a cut-rate pound, and the drain on sterling area reserves reached the danger point. Under these circumstances Sir Stafford had very little choice about devaluation, failing decisive assistance which could come only from the United States.

Moreover, the net effect of devaluation of the pound goes far beyond Britain and the sterling area. The "chain reaction" of almost thirty depreciated currencies, from the Swedish krona to the Burmese rupee, was fully expected. It was not, however, a repetition of the competitive devaluations of the interwar years but rather an orderly

adjustment mainly aligned to the 30 per cent reduction of the pound. There was no question of the dollar following suit; hence, the total effect may be described as an upward valuation of the dollar in relation to other currencies. The goods the United States imports from a substantial part of the world's trading area suddenly became cheaper in terms of dollars while our exports suddenly became more expensive in terms of the depreciated currencies.

If the anticipated benefits of this exchange adjustment are to be fulfilled, two conditions have to be met—one on the part of the devaluing countries and the other on the part of the United States. The nations using this device to stimulate their exports to the dollar area must accept the heavy responsibility of resisting inflationary demands at home for increased wages and profits; in short, they must accept lowered standards of living. For the United States the responsibility is less burdensome, but it requires legislative and administrative action which may grow politically more difficult as time goes on. The long-term solution of the world's dollar deficit can only come through America's acceptance of its position as a net importing nation—as a study recently published by the National Association of Manufacturers pointed out.

Questions for the Future

The Administration's program is not assured by the extension of the Reciprocal

Trade Agreements Act until July 1951. Other measures promised in the Washington communique—the liberalization of customs procedures, the encouragement of tin and rubber imports from the sterling area, the study of the world's petroleum and shipping situation with a view to giving British and other foreign interests a greater share of international markets—all require action on which Congress will have some say. Continuance of Marshall Plan appropriations, the fulfillment of President Truman's Point Four program and the stabilization of foreign currencies at their new rates can be expected to remain on Washington's agenda in one form or another for years to come.

Meanwhile, the effects of devaluation, clear enough in principle but still unclear in practice, will become known. It seems likely that three categories of American producers will be harmed by these new measures to encourage imports. American exporters will face buyer resistance in the countries which have devalued; they will meet sharper competition from Britain and other exporting nations in the markets of third countries; and at home American marginal industries which have been protected both by tariffs and by the "artificially" high rates of foreign currencies will suffer. For one or another of these reasons, manufacturers of textiles, automobiles, agricultural machinery, shoes, leather goods, chinaware, motion pictures and a good many more products will be at a disadvantage. Commodities such as cotton and tobacco also may be extensively

affected. This will undoubtedly bring about a revival of protectionist campaigning on the part of affected interests. Senator Kenneth S. Wherry, Republican of Nebraska, greeted sterling devaluation with the comment, "Now we must do something to protect our own economy."

At the moment, however, high-tariff advocates are not strong. The NAM's report represents a significant change in attitude on the part of business since the Smoot-Hawley era of the interwar years. A ten-point program issued by the American Federation of Labor on September 9, although it did not touch on the tariff issue, reflected a sympathetic attitude toward Britain's efforts to increase its competitive position by greater productivity.

The maintenance of a climate favorable to the Administration's program depends upon a high level of American employment and business activity. As Economic Cooperation Administrator Paul G. Hoffman has frequently pointed out, Europe can solve its dollar deficit by capturing an additional American market which represents only one per cent of the gross national product. This may understate the problem—the figure for a world-wide balance, of course, would be higher—but it is also based on the premise that the gross national product will not decline. The key factor in expanding the world's trade on a nondiscriminatory basis remains the continued prosperity of its greatest exporter, its greatest lender and its greatest potential customer.

WILLIAM W. WADE

U.S. Must Define Long-Term Objectives in Asia

The White Paper on China is a ponderous tome, but the story it tells can be summarized in a single word—"Failure." Behind all our specific failures lies our basic failure to clarify in our own minds what our real objectives are with regard to China. We have tended quite understandably to concentrate on immediate problems as they came up. The result has been violent debate over details, with little consideration of basic premises. Perhaps the magnitude of our failure in China will now give us an opportunity to rise above the dust of verbal combat and survey the whole problem of American foreign policy, not only toward China but also toward the whole of Asia, with more detachment and a great deal more emphasis on basic premises and fundamental objectives.

Need for Calm Survey

A calm survey of our policy should help us to eliminate certain sources of confusion in our thinking concerning Asia. One of these has been the confusion between ultimate objectives and methods of achieving these objectives. Our ultimate aim in Asia is probably the same as in Europe—the eventual creation of stable, independent, friendly and, we hope, democratic regimes which will contribute toward the maintenance of a peaceful community of nations. The methods of achieving this goal, however, are as different in Asia and Western Europe as are basic conditions in these two areas. In most of Asia there is no strong democratic tradition to be bolstered up and no advanced industrial economy to be restored. We must obviously

work with a different time scale in Asia from the one we are using in Europe.

The concept of a different time scale should also help us to clarify another source of confusion in our thinking. This is the nature of the potential menace we face in Asia. The industrial and military potential of Western Europe in Russia's hands would constitute an immediate threat to the security of the United States. Most of Asia, however, lacking the highly developed educational facilities, technical skills, industrial plant and close economic and political integration which have made the modern Western state such a complicated but efficient unit, cannot be an important factor in the unhappy balance of power in the world today. Japan, with its factory potential and literate population, poses more immediate problems, which

require an approach comparable to the one which we have taken in Europe, but the rest of Asia cannot be an important asset, economically, politically or militarily to either side for the next few years.

Difference in Time Scale

With half the population of the world, Asia some day — perhaps within a few decades — may be the deciding factor in the world. A free and democratic India or a totalitarian and satellite China might one day spell the difference between a free and a totalitarian world. But that is a situation some decades in the future. The present is crucial only in terms of its effect on that future day. Our policy toward Asia, therefore, either makes sense in terms of the next several decades or else it makes no sense at all.

If we can agree on such an extended time scale in our policy thinking for Asia, then we have a compass to guide us through the maze of complicated specific problems. We can take time to formulate each concrete step on the firm foundation of actual conditions in each country, instead of hastily applying the same blueprints to all areas regardless of their differences. We can carefully coordinate our policies between the various lands of Asia and between Asia and the rest of the world, clearly bearing in mind, for instance, that success in our undertaking in Japan is of primary importance to us as part of an over-all Asian policy and that, conversely, over-all policies for Asia must be based on an understanding of specific problems in Japan and the other individual countries.

Important long-range interest, obviously, should never be sacrificed for short-range gains. Our plans should be formulated more in terms of aiding peoples than regimes and in terms of ultimate economic development and education than immediate alliances and military aid programs. Economic aid must not be on a stopgap relief basis but should be designed to fill certain key needs which, when met, will eventually permit an integrated Asian economy to function on a higher level than hitherto.

We can shift our emphasis from rigid but necessarily brittle lines of defense in most of Asia to a defense in depth of

time. We can think more in terms of long range offensives than in terms of the immediate defensive, abandoning the whole unrealistic pretense that our advocacy of democracy in Asia must be a defense of the *status quo* against the Communist menace and allowing it to emerge in its true light—as a doctrine so revolutionary in most of Asia as still to be beyond the comprehension of many people already engrossed with the far less revolutionary authoritarianism of communism.

As the White Paper reveals, we have been concentrating too much on a discussion of tactics before we have agreed on strategy. As a nation we are remarkably agreed as to the peaceful and free world we wish to see develop, but we have not translated our vague hopes into strategic terms applicable to Asia. Once our strategy is formulated on the basis of feasible objectives and realistic time scales, many of the problems of tactics now being hotly debated will be found to have been automatically decided.

EDWIN O. REISCHAUER

(Dr. Reischauer, now Associate Professor at Harvard University, has lived in Japan and China. During the war he served with Army Intelligence, and in 1945-46 was a special assistant to the Director of the Office of Far Eastern Affairs in the Department of State.)

Branch and Affiliate Meetings

*CLEVELAND, October 4, *Czechoslovakia: Revolution or Submission*, Jan Papanek

*MILWAUKEE, October 6, *The Atlantic Pact and the Military Assistance Program*, Philip E. Brewer

POUGHKEEPSIE, October 8, *America as an Island*, Edward R. Murrow

ALBANY, October 11, *European Union?*, André Philip

CINCINNATI, October 12, *French Situation*, André Philip

*MILWAUKEE, October 13, *France: Key to Western European Integration*, Professor Rudolph E. Morris

CLEVELAND, October 14, *World Trouble Spots*, Brooks Emeny

MINNEAPOLIS, October 14, *France and European Recovery*, André Philip

ST. PAUL, October 14, *Who Controls Our Foreign Policy?*, Arthur M. Schlesinger, Jr.

*Data taken from printed announcements.

News in the Making

In the wake of the revelation that Russia has recently had an atomic explosion and the reported discovery of new sources of uranium in the Pyrenees, comes renewed agitation for restoration of friendly relations with Franco Spain. Senator Robert Taft, chairman of the Republican policy committee, urged on September 25 that an ambassador should again be sent to Madrid. . . . While the UN Conciliation Commission for Palestine and the Clapp mission are considering long-run political and economic settlement of the *Palestinian refugee problem*, the plight of the more than 900,000 persons now on the UN relief rolls threatens to become acute. The private administering agencies, under contract to distribute supplies until October 31, will soon notify the refugee advisory committee at Lake Success that they cannot continue their work unless new funds and supplies can be found. Failure to provide basic relief may provoke explosive reactions throughout the Middle East. . . . *Political tension in Colombia* has mounted since the Supreme Court, by a majority of ten to six, ruled on September 23 that a bill, fixing presidential elections for November 27, instead of June 1950, is constitutional. Previously the bill had been re-passed by the Liberal party majority over the veto of President Mariano Ospina Pérez, a member of the dominant Conservative party. If civil war can be averted, early elections are expected to favor the Liberals, who lost strength to the Conservatives in the congressional elections last spring. Differences between the two parties have already resulted in a gun battle on the floor of Congress, and in numerous disturbances in rural areas. . . . As a next step in implementing his *Point Four*, President Truman on September 27 sent to Congress a program for economic aid to underdeveloped countries at a proposed cost of \$85,620,000. The program calls for combined efforts of the recipient countries, the United States, and existing international agencies. A UN report on Haiti made public September 23 may provide a concrete example of the measures that could be taken under Point Four.

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